The Ontario Educational Communications Authority

2008-09 Annual Report

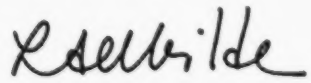
makes you think

TRANSMITTAL LETTER

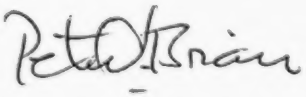
To: The Honourable Kathleen Wynne
Minister of Education
Queen's Park

We take pleasure in submitting the Annual Report of the Ontario Educational Communications Authority for the fiscal year April 1, 2008, to March 31, 2009. This is done in accordance with Section 13 of the Ontario Educational Communications Authority Act.

Yours sincerely,



Lisa de Wilde
CEO



Peter O'Brian
Chair of the Board of Directors

Table of Contents

Letter to the Minister of Education **03**

Messages from the Chair and CEO **06**

Mission/Vision Statements and Educational Priorities **09**

Performance Highlights 2008-09 ..... **10**

Awards and Honours **15**

Donor and Sponsor Recognition **16**

Salary Disclosure **18**

Board of Directors **19**

Regional Councillors Advisory Board **20**

Financial Performance **21**

tvo

makes you think

Message from the Chair of the Board of Directors

OECA 2008-09 Annual Report

Letter to the Minister of Education

Messages from the Chair and CEO

Mission/Vision Statements and Educational Priorities

Performance Highlights 2008-09

Awards and Honours

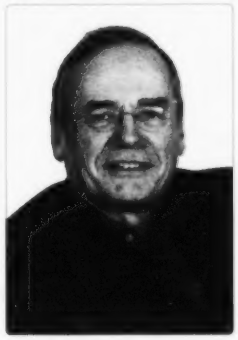
Donor and Sponsor Recognition

Salary Disclosure

Board of Directors

Regional Councillors Advisory Board

Financial Performance



This was a year in which there was a dramatic uptake in the use of interactive social media tools and on-demand Internet resources on an ever-growing number of digital media devices. It was also a year that experienced the most challenging economic times in recent memory. And, true to our educational mandate, TVO brought these together in a manner that was both positive and empowering for all Ontarians.

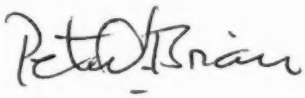
During fiscal 2008-09, I had the pleasure of meeting with a variety of our stakeholders at TVO events around the province. I saw first-hand the impact we are making with Ontarians from many walks of life, and how our commitment to inspiring and informing citizens of all ages is empowering people to take a more active role in the life of their communities.

I'm proud of how we continue to focus on innovation, education and civic engagement while charting our own unique course across multiple digital platforms. The end result is that our distinctive, TVO-produced content is more accessible and relevant than ever before to more people in Ontario.

The Board and I are extremely supportive of CEO Lisa de Wilde's vision of Ontario's public educational media organization as a viable platform for public discourse and active participation in the important issues facing our province. We applaud the progress she has made in the implementation of our strategic goals in 2008-09, and we offer our congratulations for the many successes, as outlined in this report, that have been realized by Lisa and the talented TVO staff.

And, we are pleased that during the past year the Government has confirmed her re-appointment for five more years. With this strong base to build on, we look forward in 2009-10 to continuing our work to bring citizen engagement to life across Ontario, through the power of educational media.

On behalf of the entire Board, I would like to thank the Government for its support throughout this dynamic period.



Peter O'Brian

Message from the Chief Executive Officer

TVO rolled out its citizen engagement strategy in bold new directions.

In 2008-09, TVO's distinctive brand of educational media travelled many routes – digital and otherwise – to take us to more places, and impact more people, in Ontario. We placed an emphasis on not only informing and empowering Ontarians through our educational media, but also providing more opportunities for citizens of all ages to play a larger, more active role in their communities.

We took our flagship current affairs program *The Agenda with Steve Paikin* on the road for a five-stop tour around the province. Our goal was to create real community engagement around the unique challenges faced in recessionary times by Ontario's regional economic sectors (manufacturing, natural resources and agriculture, plus Ontario's Aboriginal and innovation/high-tech economies). To achieve this, the On the Road series introduced the interactive TVO platform for citizen engagement called AgendaCamp.

These full-day brainstorming sessions with local citizens and community leaders sparked debates and discussions, and resulted in a wealth of innovative ideas related to economic concerns, and solutions for them. And to ensure that these inspired exchanges were not only captured but also allowed to flourish, we incorporated interactive social media tools. As a result, Twitter, live blogging, Flickr and a user-generated wiki allow anytime/anywhere access to the dialogue started at AgendaCamp. In addition, suggestions and thoughts arising from AgendaCamp participants were recorded and rolled into the live *Agenda* broadcast, adding even more voices to the program's panel discussion.

This project, a first for TVO, is a practical example of how public media can thrive in the digital space: providing the context and the means for people to engage as citizens around important civic matters. As an additional benefit, a great number of AgendaCamp participants were introduced to the value and possibilities inherent in social media tools.

The intense focus on economic issues enabled by each On the Road event is something that I'm extremely proud of. It speaks directly to our unique role in the Ontario media landscape: providing smart, thought-provoking alternatives to commercially-driven networks. But this concentration of our broadcast and multimedia resources to provide depth and context around a single issue wasn't limited to the On the Road series.

In 2008-09 TVO programmed a trio of theme weeks, each devoted to a compelling idea or subject that resonated with all Ontarians. As another school year began, we invited parents to ask themselves just how far they were prepared to go for their child's education as part of our *Growing Minds* week. The often obscure workings of the human brain came to life during the seven days of *Mysteries of the Mind*. And the most fundamental aspects of citizenship - identity and belonging - were sensitively examined during March's *Belong or Bust: Where do I fit in?*

Organizing these multi-platform events was a massive undertaking; they required harnessing not only the week's primetime programming strands, but also our full range of online content: on-demand streaming video, exclusive Q&As with subject-matter experts, podcasts, discussion forums, and downloadable resources. The results were well worth it: audience engagement, especially in the digital realm of blog discussion and content downloads, is at an all-time high.

And this audience is remarkable for its diversity. That's because engaging Ontario's increasingly diverse population was a priority across all programming strands and websites in 2008-09. *The Agenda with Steve Paikin* brought new, diverse voices to a wide range of issues, and played a central role in leading our *Belong or Bust* theme week discussions about identity in multicultural Ontario. We introduced the Eye on India blog column by York University professor Ananya Mukherjee-Reed. And, a new partnership struck with HIPPY Canada will see TVO's Ontario school curriculum-based children's media being incorporated into in-home programs designed to build the literacy skills and confidence of at-risk children from low-income and new Canadian families.

Message from the Chief Executive Officer

Continued...

New partnerships, forged during 2008-09, are also helping our digital transformation bear fruit: we now have dedicated TVO channels and destinations with leading internet content providers like Yahoo! Canada, YouTube and Joost.

These distribution agreements were significant milestones, as they greatly increase our impact and reach while strengthening our reputation as a distinctive source of engaging multi-platform educational content.

TVO enters the new fiscal year on a sound operational footing. Our CRTC broadcast licence was renewed for a full seven-year term; we reached new collective agreements with our two in-house unions; and we continued our ongoing commitment to training and equipping our staff with the skills and knowledge they need to take full advantage of the new software and resources that are integral to a modern, digital media organization.

Looking Ahead to 2009-10

In what is certain to be an exciting year of innovation and opportunities for Ontario's public educational media organization, our primary focus will continue to be creating distinctive content that supports TVO's educational mandate for kids and their parents, and for engaging citizens throughout the province.

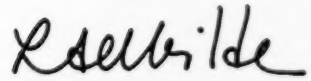
With our TVO-produced digital content, and the means to quickly and easily make it available on demand across the web, we are intent on attracting new audiences and younger people to TVO's trusted, distinctive brand.

An important contributor to this increase in users will be the reconfiguration of our workflow processes to take full advantage of a tapeless digital environment. This significant plank in our digital strategy will add to our growth across multiple platforms, and support even more digital partnerships.

In 2009-10, we will show how publicly-funded educational media can leverage the digital promise to inspire, inform and engage more people in more ways. At the same time, we will seek to reduce costs in areas that won't impair our content, digital or financial strategies.

These are all key parts of our business plan going forward, but it's important to note that TVO faces many of the same challenges as other media organizations: generating revenues from new digital platforms is a slow build, and successful business models and strategies are still evolving.

As we near the completion of our digital transformation, we will finalize TVO's approach to the digitization of our OTA (over the air) signal. And on a related note, the digital rebuild of our master control area is scheduled for completion in fall 2009.



Lisa de Wilde

Mission and Vision Statements and Educational Policy Priorities

Mission:

TVO is Ontario's public educational media organization and a trusted source of interactive educational content that informs, inspires and stimulates curiosity and thought.

Vision:

TVO's vision is to empower people to be engaged citizens of Ontario through educational media.

TVO uses its media resources to support the following priorities of the Ontario Ministry of Education:

- Contribute to school readiness and help kids to be successful learners
- Increase the involvement of parents in their children's education
- Encourage active citizenship and public engagement

Performance Highlights 2008-09

Letter to the Minister of Education

Messages from the Chair and CEO

Mission/Vision Statements and Educational Priorities

Performance Highlights 2008-09

Awards and Honours

Donor and Sponsor Recognition

Salary Disclosure

Board of Directors

Regional Councillors Advisory Board

Financial Performance

TVO's Key Effectiveness Areas:

1. Public Engagement
2. Quality Educational Experience
3. Innovation and Strategic Growth
4. Great Place to Work
5. Financial Performance
6. Operational Effectiveness

1. Public Engagement

TVO is committed to empowering people to be engaged citizens of Ontario through our unique educational media.

TVO Reach

- 85% of Ontarians (over 10 million people aged 2+) tuned into TVO last season, higher than all Canadian specialty channels.
- On average, TVO reached 3.5 million Ontarians a week.
- 3.5 million unique visitors accessed TVO's websites in 2008, representing 36% of all Ontarians with access to the internet.

Key Accomplishments:

Kids

- We cemented a new educational partnership with HIPPY (Home Instruction for Parents of Preschool Youngsters) Canada that incorporates TVOKids content to directly address the needs of Ontario's at-risk kids (and parents) from low-income and immigrant families.
- We got out into the province for interactive learning events in Ontario communities: TVOKids Don't Sit Still tours, Word on the Street, TVOKids Day at Black Creek Village, and live Skype breaks with TVOKids host Jackie from all over the province.
- Last season TVO's kids' programs reached nearly every Ontario child (1.4 million kids aged 2-11, or 97% of the kids in that age range).
- On average TVO reached over 500,000 Ontario children aged 2-11 each week.
- Each month there were about 4.7 million page views and almost 300,000 unique visitors to tvokids.com.
- We brought our total of tvokids.com curriculum-linked online games and activities to more than 160.

- We introduced an interactive broadcast/online Math Homework Helpline, and a web game show that brought participants together in studio and in the digital space.

- TVO-produced or co-produced children's programs received nine nominations in total for the 23rd Annual Gemini Awards.

Parents

- TVOParents' *Your Voice* program increasingly served to connect viewers to expert advice centred on special TVO broadcasts and theme weeks.

- *Your Voice* travelled out of the studio to focus on Aboriginal education issues in Thunder Bay, and to explore the impact on children when their parents go to war at CFB Petawawa.

- TVOParents content reached an ever growing audience through Yahoo! Canada's Lifestyle section, where it is frequently a top pick.

Adults

- *The Agenda with Steve Paikin*: On the Road introduced a new dimension to engaging citizens in important issues through a combination of community forum, the latest social media tools, and live regional broadcast.

- On the Road stops in these communities provided unique opportunities for interested persons to gather at TVO's AgendaCamps to discuss the impact of changing economic times on different regions of the province, either in person or through social media tools: Windsor (manufacturing economy); Sault Ste Marie (resource-based economy); Kingston (agricultural economy); Thunder Bay (Aboriginal economy); and Waterloo (innovation economy).

- TVO presented three theme weeks on issues that speak directly to our educational mandate: *Growing Minds* (children's education and the role parents play in it); *Mysteries of the Mind* (exploring the human brain, hosted by noted psychiatrist and researcher Dr. Norman Doidge) and *Belong or Bust* (addressing questions of identity and belonging in our diverse society).

- We introduced TVO Sundays - documentaries that tackle key social, environmental, economic, political and cultural issues followed by feature-length dramas or documentaries on similar themes.

- On November 12, a studio dedication event saw the naming of one of our new digital studios after TVO founder William G. Davis.

- We continued to enjoy substantial growth of podcast downloads and other web traffic on our main web properties.

- Podcast downloads of TVO's current affairs programs for 2008 totalled 4 million, led by *The Agenda with Steve Paikin* with 2.2 million downloads and *Big Ideas* with 1.3 million downloads.

- We held a well-attended Independent Learning Centre (ILC) graduation ceremony at the Royal Ontario Museum.

- We partnered in the launch of getinvolved.ca, a social media website that encourages people to help others and make a difference.

Performance Highlights 2008-09

Continued...

Letter to the Minister of Education

Messages from the Chair and CEO

Mission/Vision Statements and Educational Priorities

Performance Highlights 2008-09

Awards and Honours

Donor and Sponsor Recognition

Salary Disclosure

Board of Directors

Regional Councillors Advisory Board

Financial Performance

2. Quality Educational Experience

TVOKids

- TVOKids forged new educational partnerships and research alliances with organizations like HIPPY Canada.
- TVO presented a special Get Ready for School package of fun-to-use media resources in late summer to help get kids (and their parents) excited and informed about their first classroom experiences.
- The rigorous approach TVO takes to creating its educational, curriculum-based children's content was documented in the Educational Blueprint for TVOKids. The booklet highlighted:
  - the input and approval of educators and early-years education specialists in the creation and production of our children's media
  - the extensive range of curriculum and content partners and advisors we engage
  - the importance of educational objectives in all TVOKids content
  - curriculum links for TVOKids programs/web activities
- We achieved the target of 100% testing for new TVO-produced children's content.
- A study by the Michael Cohen Group found that exposure to the TVO co-production *WordWorld* for six weeks resulted in children being able to recognize and read words featured in the program that they were not able to read before. This study gives scientific evidence that *WordWorld* succeeded in meeting many of its educational goals.
- *Your Voice*, TVO's program for parents, travelled to Thunder Bay to produce shows on Aboriginal education issues past, present and future.

Independent Learning Centre (ILC)

- Homework Help Agreement (WHAT agreement) - The ILC set up and delivered this special project for the Ministry of Education focused on assisting math students in grades 7, 8 and 9 with difficult concepts.
- ILC website - We delivered Phase I of the redesigned ILC website, working with usability experts and information architects to ensure ease of navigation.
- ILC Course Development - ILC courses moved to the use of digital components (interactive, video, audio, PDF, etc.) to offer a truly blended learning model.
- The ILC's GED testing service responded to emerging employment opportunities in the far North through a collaboration with the Sioux Lookout Area Aboriginal Management Board. GED tests were organized in remote communities and areas such as Fort Severn and Big Trout Lake.
- The ILC issued 201 diplomas.
- ILC students completed 5,584 courses.
- Registrations for the GED reached 6,405.

3. Innovation and Strategic Growth

TVO is committed to developing innovative ways of increasing the impact of our content.

- We launched new digital distribution partnerships with Yahoo! Canada, Joost, Tribal Nova, YouTube and Adobe Media Player.
- We also announced partnerships with Apple's iTunes and Panache.
- Innovative application of social media tools included the public, participant-driven AgendaCamp events.
- We expanded our reach into the world of "instant" online communities, such as wikis, Twitter, Flickr, Facebook.
- TVOKids launched an audience-generated pipeline "crawl" across television screens for greater on-air interaction with young viewers.
- TVOKids live Skype breaks allowed hosts to travel across the province and economically broadcast to the studio and interact with kids from around the province.

4. Great Place to Work

TVO is committed to building a team-based, results-oriented internal culture of collaboration and excellence.

- We continued our multi-year training framework, which included leadership development for managers, environmental training, digital skills, and individual skills upgrading.
- We implemented a team effectiveness process across the organization to ensure all areas are focused on and aligned with key strategic priorities.
- We continued our quarterly all-staff meetings, which included presentations from industry leaders. We also continued "lunch and learn" information sessions, monthly staff lunches with the CEO (Lunch with Lisa) and on-going forums for input ("Ask Lisa").
- We created opportunities for many TVO departments to collaborate freely and forge new bonds through multi-platform events like the On the Road series.
- We successfully negotiated collective agreements with both in-house unions.

Performance Highlights 2008-09

Continued...

OECA 2008-09 Annual Report

Letter to the Minister of Education

Messages from the Chair and CEO

Mission/Vision Statements and Educational Priorities

Performance Highlights 2008-09

Awards and Honours

Donor and Sponsor Recognition

Salary Disclosure

Board of Directors

Regional Councillors Advisory Board

Financial Performance

5. Financial Performance

TVO is committed to building financial sustainability.

- For the first time since 1991, TVO received an increase in its base funding.
- While TVO is generously supported by the provincial government, the 20% of our budget that is made up of self-generated revenues remains an important part of our financial model.
- TVOKids Don't Sit Still live events to encourage healthy lifestyles travelled across Ontario with the support of new sponsors EatRight Ontario and Egg Farmers of Ontario.
- Vale Inco sponsorship of *The Agenda with Steve Paikin* expanded to include On the Road events across Ontario.
- We launched new distribution partnerships with revenue-generation components.
- With the departure of TFO as a separate organization, we have enacted new cost-containment strategies and efficiencies while maintaining our levels of in-house, TVO-produced programming and web content. These include lower hydro costs associated with our reduced space and consumption needs; a more streamlined organizational structure realized by consolidating Business Affairs and Legal Services; and the elimination of the COO and the Board Secretary positions.
- Full details can be found in the Financial Statements beginning on page 24.

6. Operational Effectiveness

TVO is committed to preparing our workforce and plant for growth and success in the digital world.

- A key focus for the year was readying the organization for digital tapeless workflow processes:
  - Archive installation was completed
  - DAM integration was completed
  - Testing and process orientation with distribution and production areas got underway
- Achieved another digital milestone in fall 2008 with the acquisition of an HD "air pack" (portable studio), making events like *The Agenda with Steve Paikin*: On the Road five-stop tour around Ontario possible.

Awards and Honours

TVO voted Best Family TV Station by the readers of *City Parent* magazine – for the fifth straight year.

TVO personalities, in-house productions and co-productions all featured prominently in the list of nominees for the 23rd Annual Gemini Awards. We received **18 nominations** in total, with three TVO-commissioned documentaries winning in the Best Documentary Series (*Diamond Road*) and Best Direction categories (*Girl Inside* and *Last Call at the Gladstone Hotel*).

The Rocky Award for Best Children's Program was presented to the TVO co-production *How the Gimquat Found Her Song* at the 2008 Banff World Television Awards.

TVO's mystery-mind program *Spellz* won the **Silver Remi Award** 2008 for TV Series – Family/Children at The Houston International Film Festival. This show, a pre-buy from GAPC Entertainment, made its world premiere on TVOKids in 2006.

Donor and Sponsor Recognition

Letter to the Minister of Education

Messages from the Chair and CEO

Mission/Vision Statements and Educational Priorities

Performance Highlights 2008-09

Awards and Honours

Donor and Sponsor Recognition

Salary Disclosure

Board of Directors

Regional Councillors Advisory Board

Financial Performance

Public Donors

We thank the 50,657 donors who made 70,127 financial gifts in support of TVO.

Corporate and Community Supporters

TVO would like to thank the following corporations and organizations for their outstanding leadership and commitment to our mandate:

- The Agenda with Steve Paikin Partner
  Vale Inco

  Vale Inco is the proud presenting partner of TVO's flagship current affairs program, *The Agenda with Steve Paikin*. There is no other program on television today with the depth and dedication to citizen engagement as *The Agenda*. The program's interactive website encourages debate and discussion to continue beyond the broadcast through producer blogs and viewer discussion forums.

- Homework Partner
  RBC
  Ask a Teacher

  RBC is the proud supporter of Ask a Teacher. TVO's free help-with-homework online service gives students one-on-one assistance from certified teachers five nights a week. Students can also practise needed skills in math, science and literacy, or try a variety of exercises in preparation for standardized provincial tests.

- Children's Literacy Partner
  TD Bank Financial Group
  TD Reading Rangers/Gisèle's Big Backyard Book Club

  The TD Bank Financial Group is the proud presenting partner of TD Reading Rangers. This entertaining on-air and online series promotes books, reading and libraries to the children of Ontario. Boosting literacy, language skills and social development, the series features the popular TVOKids hosts as Reading Rangers – daring and dauntless heroes of the Wild West who make books their business!

  TD Bank Financial Group's commitment to literacy also extends to *Gisèle's Big Backyard* Book Club, which inspires early learners and their parents to read every day, and in everyday situations. Every month Gisèle reads a new book out loud to young viewers, encourages families to visit the local public library to find the featured title and also join the book club online at tvokids.com. The books, all by Canadian writers, are selected by the Ontario Library Association and TVO's own consultants, and cover a wide range of topics that reflect Canada's rich cultural diversity.

- Healthy Minds - Healthy Bodies Partner
  EatRight Ontario and Egg Farmers of Ontario
  TVOKids Don't Sit Still Tour

  Presented by EatRight Ontario, with sponsorship in part by Egg Farmers of Ontario, the TVOKids hosts travel with the TVOKids Don't Sit Still Tour across Ontario to present a free live stage show that promotes a healthy and active lifestyle to kids of all ages. This high-energy interactive performance inspires children - and even their parents - to stay active and eat healthy.

  EatRight Ontario offers both telephone and website services with evidence-based nutrition information and free advice. Ontarians can speak one-on-one with a Registered Dietitian on Monday to Friday from 9 to 5, and on Tuesday and Thursday evenings until 9 pm by calling 1-877-510-5102 toll-free. The EatRight Ontario Call Centre has the capacity to serve Ontario callers in more than 100 languages and the online "ask-a-dietitian" service available at ontario.ca/eatright provides answers to questions within 48 hours.

  Egg Farmers of Ontario is a farmer-run association dedicated to providing Ontarians with local, fresh and high quality eggs at a reasonable price.

- TVO's Best Lecturer Competition Partner
  TD Insurance Meloche Monnex

  TD Insurance Meloche Monnex is the proud presenting partner of the annual TVO Best Lecturer Competition. The competition offers students and alumni an opportunity to celebrate the college and university professors whose lectures they believe to be exceptional. This exciting competition features professors hailing from all corners of the post-secondary community in domains ranging from philosophy to food science, sports management to medicine, astronomy to psychology. The top 10 finalists deliver their winning lectures on TVO's *Big Ideas* during a gripping 5-week pursuit of academia's latest sought-after award. It is then up to TVO viewers to vote online to crown Ontario's Best Lecturer.

- **Health Council of Canada**

  Health Council of Canada is mandated to monitor and report on the progress of changes to Canada's publicly funded health care system to which governments committed in 2003 and 2004. TVO is proud to be running a series of Health Council of Canada shorts in primetime that aim to inspire and inform Ontarians to maintain good health and to understand and feel confident in the sustainability of the Canadian health care system. These shorts are developed to showcase efforts being made to provide equitable, effective and safe health care that will enhance the overall health of Canadians.

TVO would like to recognize the following content/curriculum partners for their support:

- AGO
- Brock University
- Canadian Veterinary Medical Association
- Confederation College
- Friends of the Greenbelt Foundation
- HIPPY Canada
- Kids Help Phone
- Let's Talk Science - Wings of Discovery
- Martin Prosperity Institute
- The Maytree Foundation
- Media Awareness Network – Ottawa
- Ontario Institute for Studies in Education (OISE)
- Ontario Library Association
- Ontario Physical and Health Education Association
- Ontario Science Centre
- Royal Ontario Museum
- Sault College
- ScribbleLive
- Settlement.Org
- Sheridan High/Scope Teacher Education Centre
- Sprockets Toronto International Film Festival for Children
- Toronto District School Board
- Toronto Public Library
- Toronto Symphony Orchestra
- The Toronto Zoo
- University of Toronto – Munk Centre for International Studies
- University of Waterloo
- York Region District School Board
- York University

Salary Disclosure

Letter to the Minister of Education

Messages from the Chair and CEO

Mission/Vision Statements and Educational Priorities

Performance Highlights 2008-09

Awards and Honours

Donor and Sponsor Recognition

Salary Disclosure

Board of Directors

Regional Councillors Advisory Board

Financial Performance

OECA employees paid $100,000 or more in 2008:

NAME:	POSITION:	SALARY ($)	TAXABLE BENEFITS ($)
AQUINO, EDNA	CONTROLLER	101,052	879
ARNOLD, CLARA	VICE PRESIDENT, HUMAN RESOURCES	151,852	1,281
CAREY-LEE, YVONNE	CHIEF FINANCIAL OFFICER	142,106	1,221
CHAPELLE, NANCY	MANAGING DIRECTOR, CONTENT & PROGRAMMING	176,462	4,087
DE WILDE, LISA	CHIEF EXECUTIVE OFFICER	248,400	2,166
DUNSKY, DAN	EXECUTIVE PRODUCER, THE AGENDA	140,500	1,208
ELLINGSON, PAT	CREATIVE HEAD, CHILDREN'S MEDIA CONTENT & PROGRAMMING	146,620	1,262
IRWIN, SARAH	MANAGING DIRECTOR, INDEPENDENT LEARNING CENTRE	143,051	1,229
JONES, BRUCE	DIRECTOR, ILC INTERACTIVE	112,955	985
KEHOE, JILL	VICE PRESIDENT, CORPORATE RELATIONS	121,231	1,039
KRAMER, ERIKA	VICE PRESIDENT, DISTRIBUTION SERVICES	113,981	4,661
LEBLANC, MARK	DIRECTOR, LEGAL SERVICES & BUSINESS AFFAIRS	133,339	1,151
MYERS, LAURA	MANAGER, LABOUR RELATIONS	100,846	879
PAIKIN, STEVE	HOST/PRODUCER	244,942	4,535
PINTO, MEG	MANAGING DIRECTOR, REVENUE & MARKETING	168,200	4,042
PIRROTTA, SARAH	MANAGER, CORPORATE SPONSORSHIP	106,453	744
RAYMENT, STEVE	DIRECTOR, MARKETING	105,000	916
ROBINSON, JUDITH	DIRECTOR, COURSE DEVELOPMENT	113,766	992
ROBOCK, LEE	GENERAL MANAGER & CHIEF OPERATING OFFICER	200,314	3,594
SLIVINSKAS, TODD	CHIEF TECHNOLOGY OFFICER	145,633	1,226
TRAMONTIN, MARA	DIRECTOR, PROGRAM BUSINESS MANAGEMENT	126,918	1,090
WARTH, PETER	MANAGER, ENGINEERING	103,825	888
WONG, WINNIE	VICE PRESIDENT, DIGITAL STRATEGY & BUSINESS DEVELOPMENT	124,962	1,072

Prepared in accordance with the Public Sector Salary Disclosure Act, 1996.

OECA
Board of Directors

Peter O'Brian
Chair of the Board of Directors
President, Independent Pictures Inc.
Toronto

First term: November 1, 2005 – October 31, 2008
Second term: November 1, 2008 – October 31, 2011

Ajay Agrawal
Professor of Entrepreneurship (Competition and Strategy in Creative Industries, Corporate Strategy, Survey of the Economics of Innovation, others)
Rotman School of Business
Toronto

First term: April 11, 2007 - April 10, 2010

Judy Blank
Retired teacher
St. Catharines

First term: June 27, 2007 – June 26, 2008
Second term: June 27, 2008 – June 26, 2011

Stephen R. Coxford
Chair of TVO Board Governance Ctee.
President, Gresham & St. Andrew Inc.
Toronto

First term: July 1, 2003 – June 30, 2006
Second term: July 1, 2006 – December 3, 2008

Penny Eizenga
Retired executive
London

First term: May 16, 2007 – May 15, 2010

Kambiz Kazemi
Chair of TVO Board Audit Ctee.
Polar Securities
Toronto

First term: April 11, 2007 – April 10, 2010

Diane Kelly
General Counsel, Queen's University
Kingston

First term: May 30, 2007 – May 29, 2010

Raymond G. Paradis
Retired teacher
New Liskeard

First term: June 27, 2007 – June 26, 2008
Second term: June 27, 2008 – June 26, 2011

Judith Robertson
President and CEO, Belzberg Technologies Inc.
Toronto

First term: May 9, 2007 – May 8, 2010

The honorarium paid to the Board in 2008-09 was $31,412.50, including the part-time Chair.
This amount corresponds to levels of remuneration set by the Lieutenant Governor in Council.

tvo

Regional Councillors Advisory Board

Representing the major economic regions of the province, our unique volunteer advisory network is an integral part of our community outreach, helping to deliver our message to citizens across the province and providing valuable local community feedback on our programs and services.

Letter to the Minister of Education

Messages from the Chair and CEO

Mission/Vision Statements and Educational Priorities

Performance Highlights 2008-09

Awards and Honours

Donor and Sponsor Recognition

Salary Disclosure

Board of Directors

Regional Councillors Advisory Board

Financial Performance

Steve Andrusiak, London

Calvin Bowry, Kingston

Janice Brant, Deseronto

Jorge Campos, Willowdale

Grace Chan, Richmond Hill

Jae Chong, Richmond Hill

Keith Clingen, Martintown

Jean Foster, Windsor

Tony Gaspar, Manitouwadge

Art Grady, Port Elgin

Colette Grant, Timmins

Kem Hamid, Markham

David Holmes, Oakville

Margaret Howard, Leith

Thando Hyman, Scarborough

Sona Khanna, Oakville

Eugene Lefrancois, Kaministiquia

Mark Mannisto, Sudbury

Stephen Maxwell, Kitchener

Rick McCutcheon, Little Current

Andy Merchant, Thornhill

Lise Moore Asselin, Mattawa

Upali Obeyesekere, Toronto

Monika Osinska, Toronto

Paul Pirie, Fort Frances

Kim Pirie-Milko, Kenora

Gary Rainbird, Sault Ste. Marie

Cassandra Rodgers, Huntsville

Donna Smith, Markstay

Marc St. Germain, Ottawa

John Storm, St. Catharines

Stewart Wayne Sinclair, Chatham

Pam Wolf, Cambridge

The Ontario Educational Communications Authority

Financial Performance

makes you think

Financial Performance

Management's Responsibility for Financial Statements

A letter from the Chief Executive Office on behalf of Management

Management's Responsibility For Financial Statements

The accompanying financial statements of the Ontario Educational Communications Authority have been prepared in accordance with Canadian generally a d accounting principles and are the responsibility of management. The pr ation of financial statements necessarily involves the use of estimates based on management's judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods. The financial statements have been properly prepared within reasonable limits of materiality and in light of information available up to May 29, 2009.

tvo
tvo.org

Management maintains a system of internal controls designed to provide reasonable assurance that the assets are safeguarded and that reliable financial information is available on a timely basis. The system includes formal policies and procedures and an organizational structure that provides for appropriate delegation of authority and segregation of responsibilities. The Internal Audit Department independently evaluates the effectiveness of these internal controls on a periodic basis and reports its findings to management and to the Board of Directors.

The Board of Directors is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal controls. The Board reviews and approves the financial statements. The Audit Committee of the Board meets periodically with management, Internal Audit, and the Office of the Auditor General of Ontario to discuss audit, internal control, accounting policy, and financial reporting matters.

The financial statements have been audited by the Office of the Auditor General of Ontario. The Auditor General's responsibility is to express an opinion on whether the financial statements are fairly presented in accordance with generally accepted accounting principles. The Auditor's Report, which appears on the following page, outlines the scope of the Auditor General's examination and opinion.

On behalf of Management:

Lisa de Wilde
Chief Executive Officer

2180 Yonge Street, Box 200, Station Q, Toronto ON, Canada M4T 2T1 t. 416.484.2600

Auditor's Report

A letter from the Office of the Auditor General of Ontario

Office of the Auditor General of Ontario
Bureau du vérificateur général de l'Ontario

Auditor's Report

To The Ontario Educational Communications Authority
and the Minister of Education

I have audited the statement of financial position of The Ontario Educational Communications Authority as at March 31, 2009 as well as the statement of operations, the statement of changes in equity and the statement of cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Gary R. Peall, CA
Deputy Auditor General
Licensed Public Accountant

Toronto, Ontario
May 29, 2009

Financial Performance

Statement of Financial Position

As of March 31, 2009

		2009 ($000s)	2008 ($000s) Restated (note 3b)
Assets			
	Current Assets		
	Cash and short-term investments (note 4)	17,226	18,183
	Accounts receivable (note 4)	826	1,119
	Prepaid expenses	642	502
	Inventories	211	122
		18,905	**19,926**
Broadcast rights and production costs (note 8)		**17,511**	**16,379**
Accrued pension asset (note 5)		**0**	**119**
Investments held for Capital Renewal (note 6)		**7,757**	**6,078**
Net Capital Assets (note 7)		**22,301**	**23,199**
Total Assets		**66,474**	**65,701**
Liabilities And Equity			
	Current Liabilities		
	Accounts payable and accrued liabilities	9,184	9,687
	Deferred revenue (note 9)	1,064	848
		10,248	**10,535**
	Non-Current Liabilities		
	Deferred capital contributions (note 10)	19,364	18,707
	Employee future benefits (note 5)	8,240	7,092
	Asset retirement obligation (note 3 b)	1,075	1,016
	Accrued pension liability (note 5)	430	0
		29,109	**26,815**
	Equity		
	Invested in broadcast rights and production costs	17,190	15,947
	Invested in capital assets	9,538	9,413
	Restricted – Accrued pension asset/(liability)	(430)	119
	Unrestricted	819	2,872
		27,117	**28,351**
Total Liabilities and Equity		**66,474**	**65,701**

Commitments and Contingencies (notes 15 and 18). See accompanying Notes to Financial Statements.

On behalf of the Board:

Chair **Director**

Statement of Operations

For the year ended March 31, 2009

	2009 ($000s)	2008 ($000s) Restated (note 3b)
Revenues		
Government operating grants (note 11)	38,887	37,484
Other earned revenue (note 13)	9,563	13,313
Independent Learning Centre (note 17)	9,068	9,119
Government and corporate project funding (note 12)	2,867	1,635
Amortization of deferred capital contributions (note 10)	2,625	2,635
	63,010	**64,186**
Expenses		
Content and programming	25,397	24,157
Technical and production support services	12,726	11,386
Independent Learning Centre (note 17)	8,803	8,744
Management and general expenses	6,200	7,619
Cost of other earned revenue (note 13)	2,847	2,916
Amortization of capital assets and accretion expense	5,228	4,562
Employee future benefits (note 5)	2,018	2,373
	63,219	**61,757**
Excess/(deficiency) of revenues over expenses	**(209)**	**2,429**

See accompanying Notes to Financial Statements.

Financial Performance

Statement of Changes in Equity

For the year ended March 31, 2009

	2009 ($000s)					2008 ($000s) Restated (note 3b)
	Invested in Broadcast Rights and Production Costs	Invested in Capital Assets	Restricted Accrued Pension Asset/ (Liability)	Unrestricted	Total	Total
Balance, beginning of year as previously reported	**15,947**	**10,381**	**119**	**2,872**	**29,319**	**36,211**
Asset retirement obligation (note 3b)	-	(968)	-	-	(968)	(888)
Balance, beginning of year, restated	**15,947**	**9,413**	**119**	**2,872**	**28,351**	**35,323**
Excess/(deficiency) of revenues over expenses	(9,471)	(2,629)	(824)	12,715	(209)	2,429
Invested in assets during the year	10,714	2,754		(13,468)	-	-
Settlement with OFECA (note 19)			275	(1,300)	(1,025)	(275)
Broadcast rights and production costs – transferred to OFECA					-	(9,126)
Balance, end of year	**17,190**	**9,538**	**(430)**	**819**	**27,117**	**28,351**

See accompanying Notes to Financial Statements.

Statement of Cash Flows

For the year ended March 31, 2009

	2009 ($000s)	2008 ($000s) Restated (note 3b)
Operating Activities		
Excess/(deficiency) of revenues over expenses	(209)	2,429
Add/(deduct) non-cash items:		
Amortization of capital assets	5,169	4,506
Accretion expense	59	56
Amortization of deferred capital contributions	(2,625)	(2,635)
Amortization of broadcast rights and production costs	9,581	9,788
Pension expense	824	1,068
Post retirement benefits	1,148	1,259
Loss on disposal of capital assets	26	239
Net changes in non-cash working capital:		
Accounts receivable	293	2,246
Inventories	(89)	30
Prepaid expenses	(140)	12
Deferred revenue	216	(5,841)
Accounts payable and accrued liabilities	(503)	(7,267)
Cash provided by operating activities	**13,750**	**5,890**
Investing and Financing Activities		
Broadcast rights additions	(10,714)	(9,521)
Capital asset additions	(4,340)	(10,775)
Current year's deferred capital contributions	1,603	6,747
Proceeds from disposal of capital assets	44	317
Lease obligations	-	(5)
Settlement with OFECA	(1,300)	-
Cash used in investing and financing activities	**(14,707)**	**(13,237)**
Net (decrease) in cash position during the year	**(957)**	**(7,347)**
Cash and short-term investments, beginning of year	**18,183**	**25,530**
Cash and short-term investments, end of year	**17,226**	**18,183**

See accompanying Notes to Financial Statements.

Notes to Financial Statements

March 31, 2009

1. AUTHORITY AND MANDATE

The Ontario Educational Communications Authority (the Authority) is a provincial Crown Corporation that was created in June 1970 by the Ontario Educational Communications Authority Act. In accordance with the Act, the Authority's main objective is to initiate, acquire, produce, distribute, exhibit or otherwise deal in programs and materials in the educational broadcasting and communications fields. The Authority is licensed by the Canadian Radio-television and Telecommunications Commission (CRTC) to broadcast English-language educational television programs. The broadcasting licence is subject to renewal by the CRTC and the current licence is for the period September 1, 2008 to August 31, 2015.

The Authority is a registered charitable organization which may issue income tax receipts for contributions. As a Crown Corporation of the Province of Ontario, the Authority is exempt from income taxes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting
The financial statements of the Authority have been prepared by management in accordance with Canadian generally accepted accounting principles.

(b) Inventories
Maintenance supplies and media tapes are valued at cost where cost is determined on a first-in, first-out basis, net of an allowance for obsolescence.

(c) Capital Assets
Capital assets are recorded at cost less accumulated amortization. Capital assets are amortized on a straight line basis over the following terms beginning the year following acquisition:

Capital Assets	
Building	30 years
Transmitters	17 years
Transmitter Monitoring Equipment	7 years
In-House Technical Equipment	7 years
Leasehold Improvements	5 years
Computer Equipment	5 years
Office Furniture and Fixtures	15 years
Office Equipment	10 years
Vehicles	5 years

(d) Revenue Recognition

1. Operating grants are recognized as revenue in the fiscal year in which they are received or receivable, with the exception that amounts relating to a future period are deferred and reported as revenue in that later period.

2. Revenues received in the year for special purposes are deferred until the related expenses have been incurred.

3. Revenue from grants and contributions restricted for the purchase of capital assets is deferred and amortized over the same period as the related capital asset.

4. Revenue from the licensing of program material is recognized when the program material is delivered.

5. Individual donations are recorded on a cash basis. Contributions from corporate sponsors are recognized when the contract is signed, except multi-year contributions that are recognized when the cash is received.

6. Revenue from sponsorship is recognized when it is broadcast or webcast.

7. Student fees for courses and General Education Development testing are recognized as revenues at the time of registration.

(e) Employee Future Benefits

The Authority accrues its obligations under employee defined benefit pension plans and the related costs, net of plan assets. The following policies have been adopted:

1. The cost of pension benefits and other post-retirement benefits is actuarially determined by independent actuaries using the projected benefit method and management's best estimate assumptions.

2. Past service costs and any transitional asset or obligation are amortized over the expected average remaining service period of active plan members.

3. Actuarial gains (losses) are recognized to the extent that they exceed 10% of the greater of the accrued benefit obligation and the market value of plan assets. Amounts recognized are amortized over the expected average remaining service period of active plan members.

4. Pension fund assets are valued at market value.

(f) Broadcast Rights and Production Costs

Broadcast rights and production costs are accounted for as follows:

- Current events and network promotion programs produced by the Authority are expensed in the year the costs are incurred.

- All other programs produced by the Authority and programs licensed under co-production, pre-buy and acquisition contracts are recorded at cost less accumulated amortization. Amortization is calculated on a straight line basis over four years.

Notes to Financial Statements

Continued . . .

(g) Financial Instruments

The Authority's financial instruments consist of cash, short-term investments including those held for capital renewal, accounts receivable, and accounts payable and accrued liabilities. Under Canadian generally accepted accounting principles financial instruments are classified into one of five categories – available-for-sale, held-for-trading, held-to-maturity, loans and receivables, or other financial liabilities. The Authority classifies its financial assets and liabilities as follows:

- Cash and short-term investments, including those held for capital renewal, are classified as held-for-trading and are measured at fair value. It is management's opinion that their carrying amounts approximate fair value because, as discussed in note 4, the investments are not exposed to significant interest rate, liquidity, credit, or currency risks.

- Accounts receivable are classified as loans and receivables and, due to their short-term maturities, it is Management's opinion that their carrying amount approximates fair value.

- Accounts payable and accrued liabilities are classified as other financial liabilities and, due to their short-term maturities, it is Management's opinion that their carrying amount approximates fair value.

(h) Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

3. CHANGES IN DISCLOSURE AND ACCOUNTING POLICY

Effective April 1, 2008, the Authority adopted the following Canadian Institute of Chartered Accountants (CICA) Handbook Sections:

(a) Capital Disclosures

Section 1535, Capital Disclosures requires the disclosure of both qualitative and quantitative information that enables users of financial statements to evaluate the Authority's objectives, policies and processes for managing capital.

In managing capital, the Authority focuses on its liquid resources – cash, short-term investments, and investments held for capital renewal. The Authority's objectives are to have, at the minimum:

- Cash and short-term investments on hand sufficient to meet obligations that are due within the next 45 days.

- Capital renewal investments sufficient to meet approved expenditures from capital renewal fund for the current fiscal year.

The Authority believes that these levels of liquid resources provide the flexibility to deal with any unexpected adverse developments and to take advantage of opportunities that may arise.

As at March 31, 2009, the Authority met these objectives.

The Authority does not take any significant risks in its investing activities (note 4). An Order in Council dated March 9, 1990, limits the type of investments that the Authority may access. Consequently, it invests only in short-term, high-grade, Canadian and U.S. dollar debt instruments. The Authority is not subject to any externally imposed capital requirements.

(b) Asset Retirement Obligation

As required by section 3110, Asset Retirement Obligations, the Authority recognized a liability for future decommissioning of its transmitter and low power repeat transmitter (LPRT) facilities. Certain amounts in the 2008 comparative figures have been restated to reflect the recognition of this liability retrospectively. All LPRTs are situated on leased premises and, as these lease contracts may not be renewed, the Authority will recognize the full decommissioning expense by the end of the leases, most of which expire by 2012. In determining the fair value of its asset retirement obligations, the Authority discounted the associated cash flows at 5.8% as set out in the table below. The total undiscounted amount of the estimated future obligations is $1,273,000 as at March 31, 2009.

Asset retirement obligation	2009 ($000s)	2008 ($000s)
Opening balance	1,016	960
Accretion expense	59	56
Closing balance	1,075	1,016

The impact on the 2008 amounts previously reported is summarized in the following table.

	2008 ($000)		
	As Previously Stated	Increase (Decrease)	As Restated
Assets			
Net capital assets	23,151	48	23,199
Liabilities			
Asset retirement obligation	-	1,016	1,016
Equity			
Invested in capital assets	10,381	(968)	9,413
Statement of Operations			
Amortization of capital assets and accretion expense	4,482	80	4,562

Notes to Financial Statements

Continued . . .

4. FINANCIAL INSTRUMENTS

The Canadian Institute of Chartered Accountants (CICA) implemented two new handbook sections for fiscal years starting on or after October 1, 2007: 3862 Financial Instruments – Disclosure; and 3863 Financial Instruments – Presentation. These sections replace section 3861 Financial Instruments – Disclosure and Presentation for many organizations and require more extensive disclosures including information about risk assessment, risk management procedures, and sensitivity analyses around each type of risk. However, the CICA provided not-for-profit-organizations with the option of continuing to use section 3861, and the Authority has decided to do so.

Cash and Short-term Investments (including those held for capital renewal)

The Authority's investment policy restricts short-term investments to securities issued by or guaranteed as to principal and interest by Canada, any province of Canada, the United Kingdom, and the United States of America or deposit receipts, deposit notes, certificates of deposit, acceptances and other similar instruments issued or endorsed by any chartered bank to which the Bank Act (Canada) applies. Consequently, the Authority is not exposed to significant interest rate, liquidity, or credit risks.

Short-term investments, including those held for capital renewal, mature within 365 days, and had an average yield of 2.4% (2008 - 4.4%). U.S. dollar cash and short-term investments totalled $642,000 (2008 - $1,086,000) and were not large enough at any time during the year to expose the Authority to significant currency risks. These amounts were converted to Canadian dollars using an exchange rate of 1.22 (2008 – 1.005).

Accounts Receivable

Given the amount of Authority's accounts receivable and past experience regarding payments, management believes that the Authority is not exposed to significant credit risk. Accounts receivable consist of the following amounts:

	2009 ($000s)	2008 ($000s)
ILC earned revenue, corporate donations, sales and licensing, tower rentals and transmitter maintenance fees	456	330
Project funding	70	219
Net receivable from OFECA (Note 19)	70	325
Others	230	245
	826	**1,119**

5. EMPLOYEE FUTURE BENEFITS

The pension and other post-employment benefit plans have the following components:

(a) Registered Pension Plans:

- Main Pension Plan - Most employees of the Authority are members of this plan, which consists of three elements – a non-contributory, defined benefit, best average earnings and years of service element; a contributory, defined contribution element; and a non-contributory, defined contribution element.

- Executive Pension Plan – Certain executives are members of this non-contributory, defined benefit, best average earnings and years of service plan.

(b) Supplementary Retirement Plan:

- This unregistered, non-contributory, defined benefit plan funds the portion of pension entitlements in excess of the maximum allowed for registered pension plans under the federal Income Tax Act.

  The pensions payable under the defined benefit plans are adjusted for inflation based on the consumer price index up to a maximum of 3% per year.

(c) Post-employment Benefits Plan:

- The Authority offers post-employment benefits such as health care, dental care, and life insurance on a shared cost basis.

The most recent actuarial valuation of the defined benefit pension plans and the post-employment benefits plan was as of January 1, 2007, and the next valuation is due as of January 1, 2010.

On April 1, 2007, the French language network TFO became independent from the Authority and began to operate as the Ontario French-language Educational Communications Authority (OFECA) (note 19). TFO employees formally became employees of OFECA effective July 1, 2007. However, their compensation and benefits were charged to the OFECA effective April 1, 2007.

The OFECA established its own pension plan as of July 1, 2007, and an actuarial report on the split of the Authority's pension plan assets and liabilities between continuing and transferring members was filed with the appropriate regulatory authorities. The necessary approvals were obtained in February 2009, and the transfer of assets to the OFECA having a market value of $4,717,000 was completed on April 1, 2009.

The OFECA assumed responsibility for the post-employment benefits of the transferring employees. As a result, the Authority's liability was reduced by $1,046,000 at July 1, 2007.

Information about the Authority's pension and other benefit plans is presented in the following table. The 2009 amounts for the registered pension plans and the post-employment benefits reflect the transfer of pension plan assets and liabilities to the OFECA plans.

Notes to Financial Statements

Continued . . .

	Registered Pension Plans		Supplementary Retirement Plan		Post-employment Benefit Plan	
	2009 ($000s)	2008 ($000s)	2009 ($000s)	2008 ($000s)	2009 ($000s)	2008 ($000s)
Plan surplus/(deficit) as of January 1:						
Market value of plan assets	69,190	95,039	-	-	-	-
Accrued benefit obligation	(68,353)	(88,717)	(102)	(93)	(9,739)	(11,038)
Balance of unamortized amounts as of January 1:						
Net transition (asset)/obligation	(4,857)	(6,078)	-	-	829	967
Past service cost	604	707	-	3	-	-
Actuarial (gains)/losses	3,080	(456)	(63)	(29)	636	2,946
Contributions – Jan 1 to Mar 31	-	-	-	-	34	33
Use of surplus – Jan 1 to Mar 31	(94)	(101)	-	-	-	-
Less: OFECA's portion of the accrued pension asset	-	(275)	-	-	-	-
Accrued pension asset/(liability)	**(430)**	**119**	**(165)**	**(119)**	**(8,240)**	**(7,092)**

	Registered Pension Plan		Supplementary Retirement Plan		Post-employment Benefit Plan	
	2009 ($000s)	2008 ($000s)	2009 ($000s)	2008 ($000s)	2009 ($000s)	2008 ($000s)
Disclosed in the Statement of Financial Position as:						
Accrued pension asset/(liability)	(430)	119	-	-	-	-
Accounts payable and accrued liabilities	-	-	(165)	(119)	-	-
Employee future benefits	-	-	-	-	(8,240)	(7,092)
Expenses for the year:						
Defined benefit plan	458	572	46	46	1,148	1,259
Defined contribution plan	366	496	-	-	-	-
Employee future benefits expense	**824**	**1,068**	**46**	**46**	**1,148**	**1,259**
Payments made by the Authority						
Benefit plan premiums	-	-	-	-	**137**	**130**
Pension plan contributions*	-	-	-	-	-	-
Payments made from the plans						
Pension benefits paid	**3,661**	**3,439**	-	-	-	-
Termination benefits paid	**2,144**	**2,665**	-	-	-	-

* As a result of the pension surplus at the last valuation of the Authority's defined benefit plans, the Authority has benefited from a contribution holiday since January 1, 2007. As the plans are no longer in surplus, it is likely that the contribution holiday will end after the January 2010 valuation. Management estimates that the Authority's annual contribution may be $2.3 million based on recent investment results.

The significant assumptions adopted in measuring the accrued benefit obligations and pension expenses are as follows:

	Registered Pension Plans		Supplementary Retirement Plan		Post-employment Benefit Plan	
	2009	2008	2009	2008	2009	2008
Discount rate	7.30%	5.50%	7.30%	5.50%	7.30%	5.50%
Investment return	6.50%	6.50%	N/A	N/A	N/A	N/A
Pension indexation	2.50%	2.50%	2.50%	2.50%	-	-
Salary rate increase	3.50%	3.50%	3.50%	3.50%	N/A	N/A
Health cost rate increase	N/A	N/A	N/A	N/A	7.00%	8.00%
Dental cost rate increase	N/A	N/A	N/A	N/A	4.50%	4.50%
Average remaining service lifetime	11-12	11-12	6	6	11	11

The health cost rate increase assumption is expected to decrease to 5% by 2011.

Defined benefit plan assets as at the January 1 measurement date consisted of:

	Percentage of Plan Assets	
	2009	2008
Asset category		
Equity securities	54%	58%
Debt securities	46%	42%

Notes to Financial Statements

Continued . . .

6. INVESTMENTS HELD FOR CAPITAL RENEWAL

To ensure that the Authority's technical capital assets keep pace with technological changes and can be maintained or replaced when needed, the Capital Renewal Fund was established in 1984. The Authority can set aside up to 2% of the funding received as contribution to the Capital Renewal Fund. Available funds were invested in short-term deposits that earned an average interest rate of 2.6% (2008 - 4.5%) during the fiscal year. The changes in the fund were as follows:

	2009 ($000s)	2008 ($000s)
Balance, beginning of year	6,078	4,575
Master Control rebuild project funding – Ministry of Education	1,628	-
Allocation of grants - Ministry of Education (notes 10 & 11)	753	601
Interest earned	107	195
Digital Conversion project funding – Ministry of Education	(745)	2,016
Funds transferred to OFECA	-	(1,309)
CRF drawing	(64)	-
	7,757	**6,078**

7. NET CAPITAL ASSETS

Capital assets consist of the following:

			2009 ($000s)	2008 ($000s) (Restated note 3b)
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	186	0	186	186
Buildings	4,812	3,803	1,009	1,150
Transmitters	24,967	23,015	1,952	2,231
Transmitter monitoring equipment	4,834	4,402	432	540
In-house technical equipment	28,702	18,377	10,325	10,182
Leasehold improvements	8,368	4,817	3,551	4,220
Computer equipment	8,027	4,801	3,226	2,896
Office furniture and fixtures	1,844	521	1,323	1,398
Office equipment	975	827	148	168
Vehicles	640	491	149	228
	83,355	**61,054**	**22,301**	**23,199**

8. BROADCAST RIGHTS AND PRODUCTION COSTS

Broadcast rights and production costs consist of the following:

			2009 ($000s)	2008 ($000s)
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Broadcast rights and completed productions	38,100	23,910	14,190	13,818
Work in progress	3,321		3,321	2,561
	41,421	**23,910**	**17,511**	**16,379**

Amortization expense for the year was $9,581,000 (2008 - $9,788,000) and is included in Content and Programming expense.

9. DEFERRED REVENUE

	2009 ($000s)	2008 ($000s)
Corporate project funding (note 12)	414	431
Sponsorship revenue	284	30
Transmitter tower rental and maintenance	251	242
ILC - MED grant and provincial project funding (note 17)	105	135
Other	10	10
	1,064	**848**

Expenditures related to the above deferrals have been budgeted for the 2010 fiscal year.

Notes to Financial Statements

Continued . . .

10. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represent contributions received for the purchase of capital assets and are recorded as revenue (amortization of deferred capital contributions) in the Statement of Operations when the related capital assets are amortized. The changes in the deferred contributions balance are as follows:

	2009 ($000s)	2008 ($000s)
Deferred capital contributions, beginning of year	**18,707**	**13,092**
Digital Conversion project funding *	2,039	8,763
Master Control rebuild project funding *	1,999	-
Air Pack/Mobile production unit project funding *	400	-
Digital Conversion project funding deferred from previous year *	(2,016)	-
	2,422	**8,763**
Allocation of Ministry of Education grant (notes 6 & 11)	753	601
Interest earned	107	195
Capital assets funded by capital renewal fund	64	-
Amortization of deferred capital contributions to revenue	(2,625)	(2,635)
Deferred capital contributions transferred to OFECA	-	(1,309)
Capital renewal fund drawing	(64)	-
Deferred capital contributions, end of year	**19,364**	**18,707**

* Digital Conversion project funding is for the purpose of replacing studio and post production equipment with digital equipment and to support a digital asset management installation. The provincial government has committed to provide the Authority with $10.44 million of funding for this project. Of the total amount committed, $9.84 million has been received as of March 31, 2009.

The provincial government has provided $2 million to rebuild the Master Control in digital. An additional $0.4 million was also received to fund the acquisition of a digital air pack that is compatible with internal production facilities to allow production capability outside of studios.

11. GOVERNMENT OPERATING GRANTS

	2009 ($000s)	2008 ($000s)
Provincial		
Ministry of Education		
Base grant	37,640	25,035
Capital maintenance grant	2,000	-
Amount allocated for capital renewal (note 6)	(753)	(601)
Funding deferred from prior year	-	5,005
	38,887	**29,439**
Ministry of Education		
Transition funding	-	7,500
Funding deferred from prior year	-	545
	-	**8,045**
	38,887	**37,484**

12. GOVERNMENT AND CORPORATE PROJECT FUNDING

	2009 ($000s)	2008 ($000s)
Provincial project funding		
Ministry of Education (MED)		
Master Control rebuild (note 10)	2,000	-
OFECA transition	1,000	-
Digital Conversion (note 10)	850	8,990
Air Pack/Mobile production unit (note 10)	400	-
Other MED project funding	237	346
Other provincial project funding	-	77
Deferred capital contribution (note 10)	(2,422)	(8,763)
	2,065	**650**
Corporate project funding		
Funding received during the year	785	771
Funding deferred from prior year (note 9)	431	645
Funding deferred to future year (note 9)	(414)	(431)
	802	**985**
	2,867	**1,635**

Notes to Financial Statements

Continued...

13. OTHER REVENUE AND COST

	2009 ($000s)			2008 ($000s)		
	Revenue	Cost	Net Revenue	Revenue	Cost	Net Revenue
Individual and corporate donations	5,596	2,377	3,219	5,389	2,137	3,252
OFECA's contribution to shared facilities costs	609	-	609	3,031	-	3,031
Tower rental and transmitter maintenance	1,481	-	1,481	1,297	-	1,297
Interest income and foreign exchange gain/loss	932	-	932	1,168	-	1,168
Sales and Licensing	397	470	(73)	760	779	(19)
Property tax rebate program for charities	319	-	319	329	-	329
Asset disposal	26	-	26	317	-	317
Funding from TVO Foundation	-	-	-	193	-	193
Others	203	-	203	829	-	829
	9,563	**2,847**	**6,716**	**13,313**	**2,916**	**10,397**

* During OFECA's start-up period it shared certain facilities with the Authority and contributed its proportionate share of the costs.

14. EXPENSES

(a) Allocated Expenses

The Authority allocates certain general expenses to major activities on the following bases:

Building cost – based on floor area occupied by the activity
Cost of mailing, shipping and printing – based on usage

Total general expenses allocated to major functional groups are as follows:

Activity	2009 ($000s)	2008 ($000s)
Content and programming	1,497	1,613
Technical and production support services	808	276
Independent Learning Centre	638	545
Management and general	625	708
Cost of other earned revenue	113	140
	3,681	**3,282**

(b) Expenses by Type

The Statement of Operations reports on expenses by activity. Expenses by type during the fiscal year are as follows:

	2009 ($000s)	2008 ($000s)
Salaries and wages	26,653	24,203
Employee benefits	4,670	6,132
Employee future benefits	2,018	2,373
Licences and other	8,494	8,195
Facilities	4,914	6,056
Transportation and communication	2,606	2,461
Other services	7,540	6,507
Supplies and equipment	1,096	1,268
Amortization of capital assets	5,228	4,562
	63,219	**61,757**

15. COMMITMENTS

The Authority has entered into operating leases covering transmission facilities, offices, warehouses and equipment. Future lease payments are as follows:

Year ending March 31	Head Office Space ($000s)	Others ($000s)	Total ($000s)
2010	1,246	898	2,144
2011	1,254	672	1,926
2012	1,254	249	1,503
2013	1,324	69	1,393
2014	1,373	24	1,397
2015 and beyond	18,749	64	18,813
	25,200	**1,976**	**27,176**

The lease of head office space expires on August 31, 2027.

16. CONTRIBUTED MATERIALS AND SERVICES

The Authority benefits from the services of volunteers primarily in the Donations area. The Authority also receives contributions of materials for use mainly in fundraising activities. Due to the difficulty of determining their fair value, contributed materials and services are not recognized in the financial statements.

Notes to Financial Statements

Continued...

17. THE INDEPENDENT LEARNING CENTRE

Under the terms of an agreement with the Ministry of Education and the Ministry of Training, Colleges and Universities, the Independent Learning Centre (ILC) was transferred to the Authority in 2002.

The ILC provides a wide range of distance education courses, in English and in French that allow adults to earn secondary school diploma credits, upgrade their basic skills, or study for personal development. It also supports children who may not be able to access elementary day school programs. The General Education Development (GED) testing is also available through the ILC.

Funding for these activities includes a grant from the Ministry of Education and ILC earned revenues. The portion of the grant that has been identified for specific projects (course development) is deferred until the related expenses have been incurred.

	2009 ($000s)	2008 ($000s)
Activities were funded by:		
Ministry of Education ILC grant	6,421	5,886
Hamilton-Wentworth Ask a Teacher project	218	500
Funding deferred from prior year (note 9)	135	535
Funding deferred to future year (note 9)	(105)	(135)
ILC grant and project funding recognized	**6,669**	**6,786**
ILC earned revenues	2,399	2,333
Total ILC grant, project funding and earned revenue	**9,068**	**9,119**
Expenses during the year:		
Salaries and benefits	6,506	6,408
Transportation and communication	640	570
Services	587	700
Building, mailing, shipping and printing	638	545
Licences	343	311
Supplies, equipment and others	89	210
Total ILC expenses	**8,803**	**8,744**
ILC contribution to overhead	**265**	**375**

Direct expenses related to the funding deferred to future years have been budgeted for the 2010 fiscal year.

18. CONTINGENCIES

Contingencies refer to possible legal claims that have been made by or against the Authority, the ultimate outcome of which cannot be predicted with certainty. Management does not expect that the outcome of the claims against the Authority will have a material and adverse effect on its results and does not believe any provisions for losses are necessary at this time. No amounts have been recognized in the accounts for claims made by the Authority. Any settlements will be accounted for at the time of settlement.

19. ESTABLISHMENT OF THE OFECA

The provincial government established the Ontario French-language Educational Communications Authority (OFECA) effective April 1, 2007, through an Order in Council, which was replaced by the *Ontario French-language Educational Communications Authority Act, 2008*. The OFECA has its own board of directors that is responsible for the operations of the former French-language division (TFO) of the Authority.

The OFECA assumed responsibility for the pension and other entitlements of those employees who accepted offers of employment from the OFECA.

Transactions with OFECA

In November 2008, the Authority made a lump sum payment of $1,300,000 to the OFECA. The payment represents the mutually agreed settlement of all claims in connection with the creation of the OFECA.

During 2009, the Authority continued to provide certain services to the OFECA at amounts agreed to by the parties. The following related-party revenue and cost recovery transactions were recognized in 2009:

	2009 ($000s)	2008 ($000s)
Contribution to transmitter maintenance, master control service, and warehouse costs	609	3,031
Reimbursement for satellite telecommunication, utilities and other charges	240	621
	849	**3,652**

Amounts receivable from OFECA as of March 31, 2009 totalled $70,000 (2008 - $325,000).

20. RELATED PARTY TRANSACTIONS

The Authority is a Crown Corporation of the Province of Ontario and is therefore a related party to other organizations that are controlled by or subject to significant influence by the Province. In addition to its transactions with the OFECA (note 19), the Authority received sponsorship revenue from Provincial ministries and agencies, and revenue from Ontario school boards for Independent Learning Centre (ILC) course fees and sales of educational materials. These transactions were recorded at exchange amounts agreed to by the related parties.

Non-grant revenue received from related parties during the year are as follows:

	($000s)
Provincial ministries	247
School boards and others	915
	1,162

21. COMPARATIVE FIGURES

Certain of the comparative figures have been reclassified to conform to the current presentation.